



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 26, 2000

## CERTIFIED RETURN RECEIPT Z 228 354 988

Larry Sower  
Crystal Peak Minerals Corporation  
c/o High Desert Consulting  
P.O. Box 10  
Milford, Utah 84751

Re: Release of Project and Reclamation Surety, Crystal Peak Minerals Corporation, Sevier  
Dry Lake Large Mining Project, M/027/008, Milford County, Utah

Dear Mr. Sower:

In March 1994, Crystal Peak Minerals Corporation (CPMC) requested release and return of the reclamation surety for their Sevier Dry Lake Project. An inspection was performed in the spring of 1994 and determined that satisfactory reclamation had been performed by CPMC to reduce the reclamation bonding requirements. You were informed that we would have to retain \$2,000 to cover the cost of reseeding until the Division and BLM jointly determined that the revegetation success standards had been achieved. On December 6, 1994, you provided a \$2,000 reclamation surety in the form of an Investment Deposit Account # 23-4149566 issued by Texas Commerce Bank National Association.

In July 1998, you again requested that the site be inspected to determine if we could issue final release of this project. Since that time, we have been in contact with the BLM and were advised that the BLM has released CPMC from any further reclamation responsibility at this site. We apologize for the delay in responding to this request. However, with the number of requests received when we initiated the annual permit fees, we were unable to inspect the site again until September 12, 2000, at which time it was determined that the Division could now release this site.

**Crystal Peak Minerals Corporation is hereby released, by this Division, from any further reclamation responsibility associated with the Sevier Dry Lake Project.** Enclosed is the original \$2,000 Investment Deposit Account # 23-4149566 issued by Texas Commerce Bank National Association for your return to the bank. Also enclosed is the original Reclamation

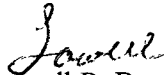
0001

Page 2  
Larry Sower  
M/027/008  
October 26, 2000

Contract with the effective date of 8/24/89 for your disposal. A new Reclamation Contract was not put in place when the \$115,000 surety was released in 1994.

Thank you for your time and help in completing the required reclamation on this project. It has been a pleasure doing business with you. Good luck in your future endeavors.

Sincerely,

  
Lowell P. Braxton  
Director

jb  
Enclosure: Original 1989 Reclamation Contract &  
Investment Deposit #23-4149566  
cc: Larry Garahana, Fillmore FO (U-37863-7912)  
Katherine M. Cosgrove, Texas Commerce Bank  
M27-08-ret



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

January 9, 1995

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Lowell P. Braxton, Associate Director *LPS*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Approval, Amount and Form of Replacement Reclamation Surety, Crystal Peak Minerals Corporation, Sevier Dry Lake Project, M/027/008, Millard County, Utah

The Division seeks Board approval of the amount and form of replacement Reclamation Surety provided by Crystal Peak Minerals Corporation for the Sevier Dry Lake Project, located in Millard County, Utah. The operator has provided the Division with a \$2,000 Investment Deposit Account #23-4149566, as the form of replacement surety, from Texas Commerce Bank. The existing surety held by the Division is in the form of a Board Contract (self-bond) in the amount of \$59,000. A \$5,000 surety was filed with the Division of State Lands and Forestry (now SITLA) for proposed surface disturbances to state leased lands. The project never impacted state lands and the surety has been subsequently released. Federal potassium and salt lease(s) were acquired from the Bureau of Land Management which required the subsequent filing of a \$53,000 surety bond. This surety has more recently been forfeited to the BLM to comply with specific requirements and terms of the lease(s).

The original approved permit for this project was for a commercial-scale potassium sulfate and sodium chloride, solar evaporation facility. The large scale project was proposed for the southern end of the Sevier Dry Lake bed. The project never progressed beyond the preliminary pilot project testing stage. Only minimal production of sodium chloride was ever achieved. The disturbed areas associated with the initial pilot project have been reclaimed. All disturbed areas have been jointly released by the Division and the BLM, with the exception of approximately 5 acres, that have not achieved the 70% revegetation success standard. The \$2,000 surety is being posted to cover the possible need for supplemental reseeding efforts should the latest (fall 1993) seeding prove unsuccessful. The surety amount is a Division projection, taken from actual 1993 contractor costs for reseeding of the disturbed area(s). A formal surety estimate does not accompany this document.

The Division recommends that the Board release CPMC from the original Board Contract and accept the replacement surety as provided by the operator for the remaining



Page 2  
Request for Board Approval  
M/027/008  
January 9, 1995

acreage. In consideration and recognition of the reclaimed project status, legal counsel for the Division and CPMC concurred that a new Reclamation Contract (FORM MR-RC) would probably not be necessary in this instance. If the Board desires, a separate cover page can be attached to the existing reclamation contract, explaining the changes in the amount of disturbed areage and reclamation surety. Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Original 1989 Reclamation Contract (From MR-RC)
4. Original Board Contract (Self-bonding agreement)
5. Investment Deposit Account (i.e., Certificate of Deposit) - 2000000.00

Thank you for your time and consideration of this request.

jb  
Attachments  
M027008



# DOGM MINERALS PROGRAM

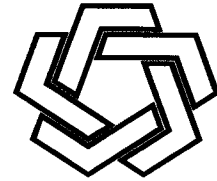
## Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared January 9, 1995

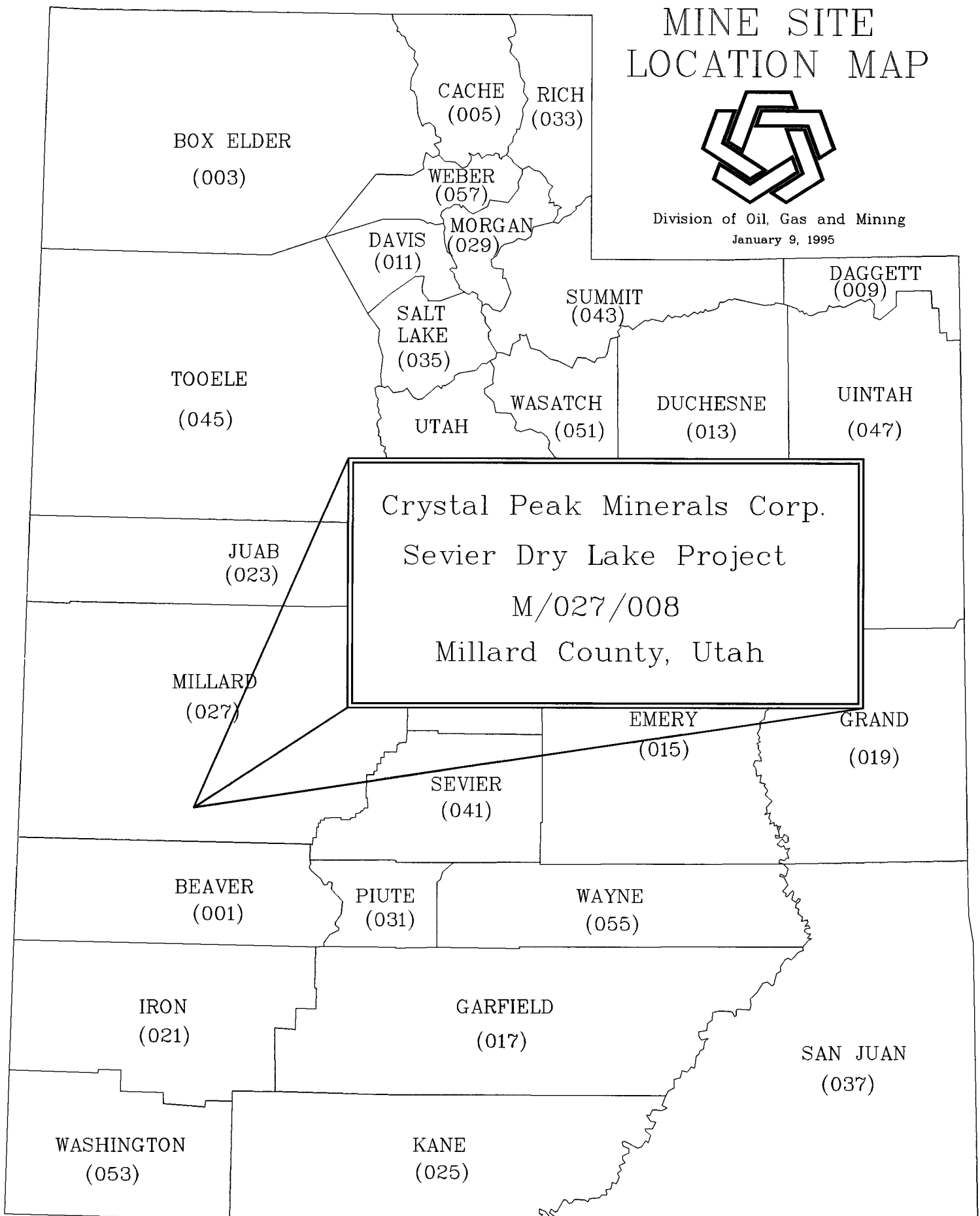
Company Name Crystal Peak Minerals Corporation  
 Mine Name Sevier Dry Lake Project  
 File No. M/027/008

Items	Provided		Remarks
	Yes	No	
Executive Summary		X	
Location Map	X		
Signed Reclamation Contract	X		Original 1989 contract
Signed Power of Attorney/ Affidavit of Qualification		X	N/A (Board Contract)
Bond/Reclamation Surety	X		Original board contract and replacement CD
Surety Sign Off (Other State/Federal Agencies)		X	Not Applicable <i># 22 / 1/10/1995</i> <i>has been submitted</i>
RDCC Clearance		X	Not required, previously approved permit

# MINE SITE LOCATION MAP



Division of Oil, Gas and Mining  
January 9, 1995





STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

RECEIVED  
AUG 10 1989

RECLAMATION CONTRACT

---oo0oo---

DIVISION OF  
OIL, GAS & MINING  
*Original  
Released & returned to  
operator letter dated  
10-26-00  
sent 10-31-00*

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/027/008  
(Mineral Mined) Sodium, Potassium, etc.

"MINE LOCATION":

(Name of Mine) Sevier Lake  
(Description) Millard County, Utah  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA":

(Disturbed Acres) 100.1 acres  
(Legal Description) Exhibit A

"OPERATOR":

(Company or Name) Crystal Peak Minerals Corporation  
(Address) P.O. Box 3006  
Houston, Texas 77253-3006  
\_\_\_\_\_  
(Phone No.) (713) 529-3755



Oliver W. Gus , Jr.

Pruitt, Gushee & Fletcher

1850 Beneficial Life Tower

(801) 531-8446

Mark Kuebler, President

William V.H. Clarke, Vice President

Gerald Seay, Vice President

## Corporate Surety Bonds

and Board Contract

(a) Federal Insurance Co. Corporate  
Surety Bond #8112-68-53

(b) Hartford Accident and Indemnity Co.  
Corporate Surety Bond #4600013

\$117,000

(Escalated Dollars)

1994

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

Revision Dates:

\_\_\_\_\_

\_\_\_\_\_

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/027/008 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount <sup>acceptable to operator and</sup> approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to <sup>operator and approved by</sup> the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay <sup>legally determined</sup> public liability and property damage claims resulting from mining <sup>operations</sup> ~~as determined by the Board or the Division~~ to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 6th day of July, 1989.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By   
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

Director

Dianne K. Nelson

Date

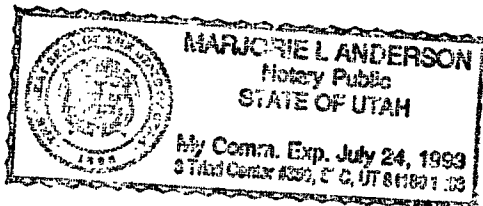
Aug 24, 1989

STATE OF Utah )

) ss:

COUNTY OF Salt Lake )

On the 24<sup>th</sup> day of August, 1989, personally appeared before me, who being by me duly sworn did say that he/she, the said Dianne K. Nelson is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Marjorie L. Anderson

Notary Public

Residing at: \_\_\_\_\_

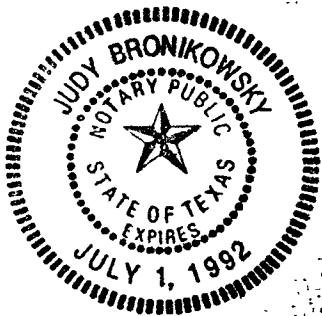
My Commission Expires:

OPERATOR: CRYSTAL PEAK MINERALS CORPORATION

By William V. H. Clarke, Sr. Exec. Vice President 7-6-89  
Corporate Officer - Position Date

STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On the 6th day of July, 1989, personally  
appeared before me William V. H. Clarke who being by  
me duly sworn did say that he/~~she~~, the said William V. H. Clarke  
is the Sr. Executive Vice President  
of Crystal Peak Minerals Corporation and duly acknowledged that said  
instrument was signed on behalf of said company by authority of its  
bylaws or a resolution of its board of directors and said  
William V. H. Clarke duly acknowledged to me that said  
company executed the same.



Judy Bronikowsky  
Notary Public  
Residing at: 9517 Masters, Manvel, Tx. 77578

My Commission Expires:



EXHIBIT A

"DISTURBED AREA DESCRIPTION"

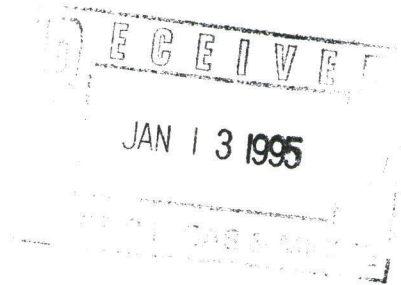
100.1 acres in Sections 3, 4, 5, 8 and 16  
of Township 24 South, Range 12 West, SLM, and  
Sections 34 and 35 in Township 23 South, Range  
12 West, SLM.

M/027/008

TEXAS COMMERCE BANK  
NATIONAL ASSOCIATION

KATHERINE M. COSGROVE  
Commercial Accounts Officer

January 6, 1995



P.O. Box 2558  
Houston, Texas 77252-8078  
(713) 216-4597  
Fax: (713) 216-6004  
1-800-367-6548, x-4597

Mr. James W. Carter, Director  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

*Released &  
returned to  
operator 10/31/08*

Re: Investment Deposit Account for Sevier Dry Lake Project, Crystal Peak  
Mineral Corporation, M/027/008, Millard County, Utah  
Dear Mr. Carter,

Enclosed is the Investment Deposit Receipt issued by Texas Commerce Bank National Association per request from Crystal Peak Minerals Corporation. The first quarterly interest payment will be added back to the Investment Deposit Account. Future interest earned will be dispersed via cashiers check payable to the holder of the Investment Deposit Account (in this case, the holder is State of Utah, Division of Oil, Gas & Mining). At that time, as Director of the State of Utah, you can fax to my attention handling instructions of the check.

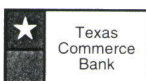
Please give me a call should you have any questions or if I can be of further service.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kathy Cosgrove". The signature is written in dark ink and is positioned above the printed name.

Katherine M. Cosgrove

cc: David Newman  
Crystal Peak Minerals Corporation



National Association  
P.O. Box 2558  
Houston, Texas 77252

TEXAS COMMERCIAL BANK NATIONAL ASSOCIATION ("BANK")

INVESTMENT DEPOSIT RECEIPT

No. 4149566

Member  
FDIC

Bank # 001

Branch # 001

Customer # 018884619

OnePlusBanking<sup>SM</sup> Time Deposit Account

☐ Fixed Rate 32 day to 18 month Individual Retirement Account

☐ Jumbo Time Deposit Account  
over \$100,000

Regular Time Deposit Account under \$100,000

☐ Fixed Rate 18 month to 5 year Individual Retirement Account

Money Market Individual Retirement Account

☐ Variable Rate 18 month Individual Retirement Account

☐ Other

Deposit Date	Interest Rate		Annual Percentage Yield		Deposit Amount	
Dec. 5, 1994	5.35%		5.48%		\$2,000.00	
Term	Frequency	Period	Payment	Frequency	Period	Disposition
	One (1)	Year		3	Quarterly	
Maturity Date	December 5, 1995		Int Cr Account	N/A		Brokerage Number
						N/A

State: State of Utah, Division of

C/O or Att: c/o Kathy Cosgrove (001)

Oil, Gas & Mining

TCB Houston

Street: 5 TCBE 78

City, State, Zip: Houston, Texas 00000-0000

☐ Rollover ☐ Transfer ☐ SEP-

☐ QRP-

☐ IRA -  
Year

Customer's Request

Depositor or Participant Signature

Bank Authorized Signature

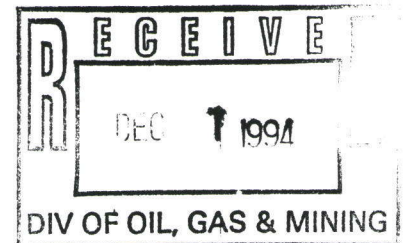
The Depositor or Participant acknowledges receipt of a copy of the Investment Time Deposit Agreement or Terms and Conditions of Individual Retirement Account Plan, as applicable, and agrees that this deposit is subject to the terms and conditions set forth therein, including without limitation, the penalties for early withdrawal contained therein.

NOT TRANSFERABLE  
NOT NEGOTIABLE

AUTOMATICALLY RENEWABLE  
NOT SUBJECT TO CHECK

SUBSTANTIAL PENALTY FOR  
EARLY WITHDRAWAL

CUSTOMER'S COPY



**STATE OF UTAH**  
**Department of Natural Resources**  
**Division of Oil, Gas and Mining**  
**355 West North Temple**  
**3 Triad Center, Suite 350**  
**Salt Lake City, UT 84180-1203**  
**(801)538-5340**

Date December 6, 1994

Texas Commerce Bank National Association  
P.O. Box 2558  
Houston, TX 77252-8078

*Released +  
returned to operator  
10-31-00*

Attention: Carl Luna, Assistant Vice President

Re: Investment Deposit Account for Sevier Dry Lake Project, Crystal Peak Minerals Corporation, M/027/008, Millard County, Utah

This is in regard to regulatory requirements of the statute and rules of the State of Utah, Division of Oil, Gas and Mining, governing the reclamation (see Attachments 1 and 2 hereto) or operation of the Sevier Dry Lake Project, Permit Number M/027/008, operated by Crystal Peak Minerals Corporation.

A \$2,000 Investment Deposit Account will be issued by Texas Commerce Bank National Association for Crystal Peak Minerals Corporation for a term of one (1) year and be automatically renewable upon expiration. The Investment Deposit Account should be made out in the name of the State of Utah, Division of Oil, Gas and Mining. The interest earned by the Investment Deposit Account for the first three (3) months will be added back on to the Investment Deposit Account. After that, the interest earned will be dispersed quarterly and deposited into Crystal Peak Minerals Corporation's account no. 00100273649. If the Investment Deposit Account is redeemed before the maturity date and the penalty reduces the face value of \$2,000, the State of Utah, Division of Oil, Gas and Mining will go to Crystal Peak Minerals Corporation for reimbursement of that loss. If redeemed after the maturity date, then \$2,000 will go to the State of Utah, Division of Oil, Gas and Mining and the remaining balance will go to Crystal Peak Minerals Corporation's account. The Investment Deposit Account can only be redeemed by the State of Utah, Division of Oil, Gas and Mining.

If the statute or rules of the State of Utah, Division of Oil, Gas and Mining are violated, with respect to reclamation or operation of the Sevier Dry Lake Project covered by this surety, the State of Utah, Division of Oil, Gas and Mining has the authority to call the Investment Deposit Account on demand, for the full amount of \$2,000. Texas Commerce Bank National Association has no duty to determine whether any violation of any statute or rule of the State of Utah has occurred when the Investment Deposit Account is redeemed. Any loss due to an early redemption penalty may be debited from any account of Crystal Peak Minerals Corporation in bank's sole discretion. Any redemption penalty may be reimbursed to the State of Utah by Crystal Peak Minerals Corporation upon demand.

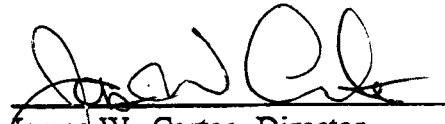
The Utah Division of Oil, Gas and Mining Director's signature, James W. Carter (or the appropriate Division Director at the time), will be required to call the Investment Deposit Account or release said funds back to Crystal Peak Minerals Corporation.

If at any time the Texas Commerce Bank National Association is uncertain as to its rights or duties with respect to the Investment Deposit Account, the Texas Commerce Bank National Association may consult an attorney and/or may interplead any funds in the Investment Deposit Account into a court of competent jurisdiction, and Crystal Peak Minerals Corporation agrees to reimburse Texas Commerce Bank National Association for any costs incurred.

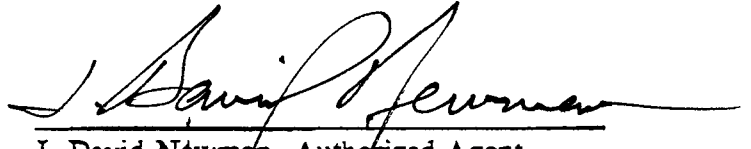
The parties agree that Texas Commerce Bank National Association Terms and Conditions of Deposit Accounts govern the Investment Deposit Account.

Texas Commerce Bank National Association will not be held liable for any dispute between the parties. These rules pertain to the Investment Deposit Account Number: 23-4149566.

Agreed upon by:

  
James W. Carter, Director  
State of Utah  
Division of Oil, Gas and Mining

Tax I.D. Number: 87-00545

  
J. David Newman, Authorized Agent  
Crystal Peak Minerals Corporation

Tax I.D. Number: 76-02-03-825

Attachment 1 - State of Utah, Division of Oil, Gas and Mining  
Letter to Larry Sower, dated March 28, 1994

Attachment 2 - United States Department of the Interior,  
Bureau of Land Management, Warm Springs Resource Area  
Letter to Larry Sower, dated March 14, 1994



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

March 28, 1994

Mr. Larry Sower  
High Desert Consulting  
P.O. Box 10  
Milford, Utah 84751

Re: Surety Release Request, Crystal Peak Minerals Corporation, Sevier Dry Lake Project, W027/008, Millard County, Utah

Dear Mr. Sower:

Thank you for your letter dated December 20, 1993, regarding the status of reclamation work that has been performed at the Sevier Dry Lake Project, on behalf of Crystal Peak Mineral Corporations (CPMC). Your letter requested that CPMC's reclamation liability/responsibility for the project be terminated and that the reclamation sureties be released.

On March 4, 1994, BLM and DOGM staff members met with you and performed a joint inspection of the Sevier Dry Lake Project area for the purpose of responding to your request. For your reference, I have attached a copy of our file memo which outlines the observations and discussions that occurred during the site inspection. We have received a copy of a March 14, 1994, BLM letter which was sent to you in response to your December 20, 1993 request and our March 4, 1994, joint inspection.

The Division is in agreement with the observations and recommendations as outlined in the BLM letter. With regard to your suggestion that the current \$5,000 State Lands and Forestry bond be transferred to DOGM to cover the possible requirement to reseed the reclaimed areas, we offer the following comments:

1. A reclamation bond held by the Division of State Lands and Forestry (DSLRF) may only be used to reclaim mining-related disturbances associated with the applicable state mineral lease. It cannot be used to reclaim disturbances on private or federally managed lands.
2. The existing DSLRF reclamation bond may be transferable over to this Division, however the legal procedures for doing so would have to worked out between the surety company, this Division and the DSLRF.
3. If this is DSLRF's preferred option, then the simplest mechanism would probably be to have a rider prepared to the existing \$5,000 bond, naming the State of Utah, Division of Oil, Gas and Mining and the U.S. Department of the Interior, BLM, as alternate co-holders of the bond.





Page 2  
Mr. Larry Sower  
M/027/008  
March 28, 1994


Pursuant to a telephone conversation I had on March 23, 1994, with Mr. Oliver Gushee, legal counsel for DSLF, he indicated that two other surety options may be preferred by his client as follows:

- Option A. - Leave a sufficient amount of reclamation surety coverage in place (equivalent to the amount required for supplemental reseeding efforts, @\$2000), that is presently held by the Division under the \$59,000 Board (self-bonding) Contract.
- Option B. - Leave the residual amount of surety in place that will remain following the completion of ongoing negotiations between CPMC and the BLM/MMS office, which presently holds the \$53,000 surety bond. Mr. Gushee believes that this bond will contain a sufficient residual dollar amount to satisfy any supplemental reseeding requirements, once MMS completes their rental fee payment calculations.

It is the Division's opinion that satisfactory reclamation has been performed by CPMC to reduce the reclamation bonding requirements to the amount calculated to perform supplemental reseeding efforts. We recommend that a minimum \$2,000 surety amount be retained to cover the cost of reseeding which will be held until the Division and BLM jointly determine that the revegetation success standards have been achieved. Our preference would be to have the present DSLF surety bond transferred over to this Division, or a new surety bond filed in our name and the BLM's to cover the reseeding cost estimate.

We anticipate at least three growing seasons will need to pass before the site may be eligible for a final release determination. Please let us know which reclamation surety provision CPMC wishes to pursue, and contact me at your earliest convenience so we may resolve the surety release request as expeditiously as possible.

Sincerely,

  
Lowell P. Braxton  
Associate Director

jb  
Attachment  
cc: Rody Cox, BLM, Warm Springs RA  
Oliver Gushee - Pruitt, Gushee & Bachtell  
John Blake, DSLF  
M027008.rel



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

### WARM SPRINGS RESOURCE AREA

35 East 500 North

P.O. Box 778

Fillmore, Utah 84631



IN REPLY REFER TO:

3500

(U-055)

U-37863 to U-37912

March 14, 1994

CERTIFIED MAIL # P RRR 837 809 859

LARRY SOWER  
HIGH DESERT CONSULTING  
PO BOX 10  
MILFORD UTAH 84751

Dear Mr. Sower:

Thank you for your letter dated December 20, 1993, regarding the reclamation status of Crystal Peak Mineral Corporation's (CPMC), Sevier Lake Project. In your letter, you state, "Reclamation work at the Sevier Lake Project has been completed. Items mentioned by Mr. Rowley's letter of October 26, 1993 have been completed and/or corrected. Reclamation seeding was accomplished on November 22, 1993 by Mr. Steve Ellis per the attached certified seed mix supplied by the Goble Seed Company." We thank you for including a copy of certified seed mix used in the rehabilitation.

On March 4, 1993, the BLM and the UDOGM conducted a joint inspection at the Sevier Lake Project. Rody Cox (BLM), Wayne Hedberg, Travis Jones (UDOGM) and yourself attended the inspection. Some observations made during the inspection are summarized below.

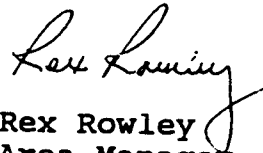
The borrow area at the southeast end of the lake was reclaimed and seeded about four years ago. Subsequently, this area has been reseeded twice. The borrow area requires no additional reclamation. The road and campsite areas were ripped, seeded and straw was crimped in as mulch. The earth work done on the roads and campsite is acceptable. The main road/dike was graded down and breached at the lake shore and again by the inflow canal and pump staging area. The inflow canal was left to degrade naturally and fill with sediment and salt. The interior dikes of the evaporation ponds have started to degrade and erode. All structures, pumps and equipment were removed.

Recommendations for closure include a general clean up of the project area. Specific items consist of plastic bailing twine that came from the bales of straw used as mulch and plastic sheeting or panels located at the east end of the inflow canal parallel to the main dike.

The possibility of repeat seeding was discussed during this inspection. Reseeding would be required, if after three growing seasons the vegetative ground cover is not sufficient to attain 70% of the vegetative cover on the surrounding undisturbed area. You suggested a \$5,000 bond currently held by the UDOGM may be reissued jointly to the BLM and the UDOGM to guarantee reseeding, if necessary.

If you have any questions concerning this letter, please contact Rody Cox at (801) 743-6811.

Sincerely,

  
Rex Rowley  
Area Manager

cc: Michael Jackson, RDO  
Allen Vance, U-921  
D. Wayne Hedberg, UDOGM

Mining Claim Boundary

Mining Claim Boundary

UNIMPROVED ROAD

POTASH PONDS

Test Ponds

Pumps

POND 1

POND 6

POND 5

POND 4

POND 2

POND 3

Campsite

LEASE BOUNDARY

Salt Stockpile & Wash Facility

Process Water Well

FIG. II

GARRISON BLACK ROCK ROAD (county)

R12 W

R11 W

To Iron Mine Pass

RECEIVED  
JAN 05 1989

DIVISION OF  
OIL, GAS & MINING

CRYSTAL PEAK MINERALS

Sevier Lake Project  
Millard County, Utah

1989 PLAN OF OPERATIONS  
FIG. I - General Layout

SCALE 1:62,500

0 1 2 3 4 Miles

DEC. 1988







BLM 1:100,000 30x60 QUADRANGLE MAP - WITH WAH MTS. NORTH - 1982 ED. BLM  
SCALE

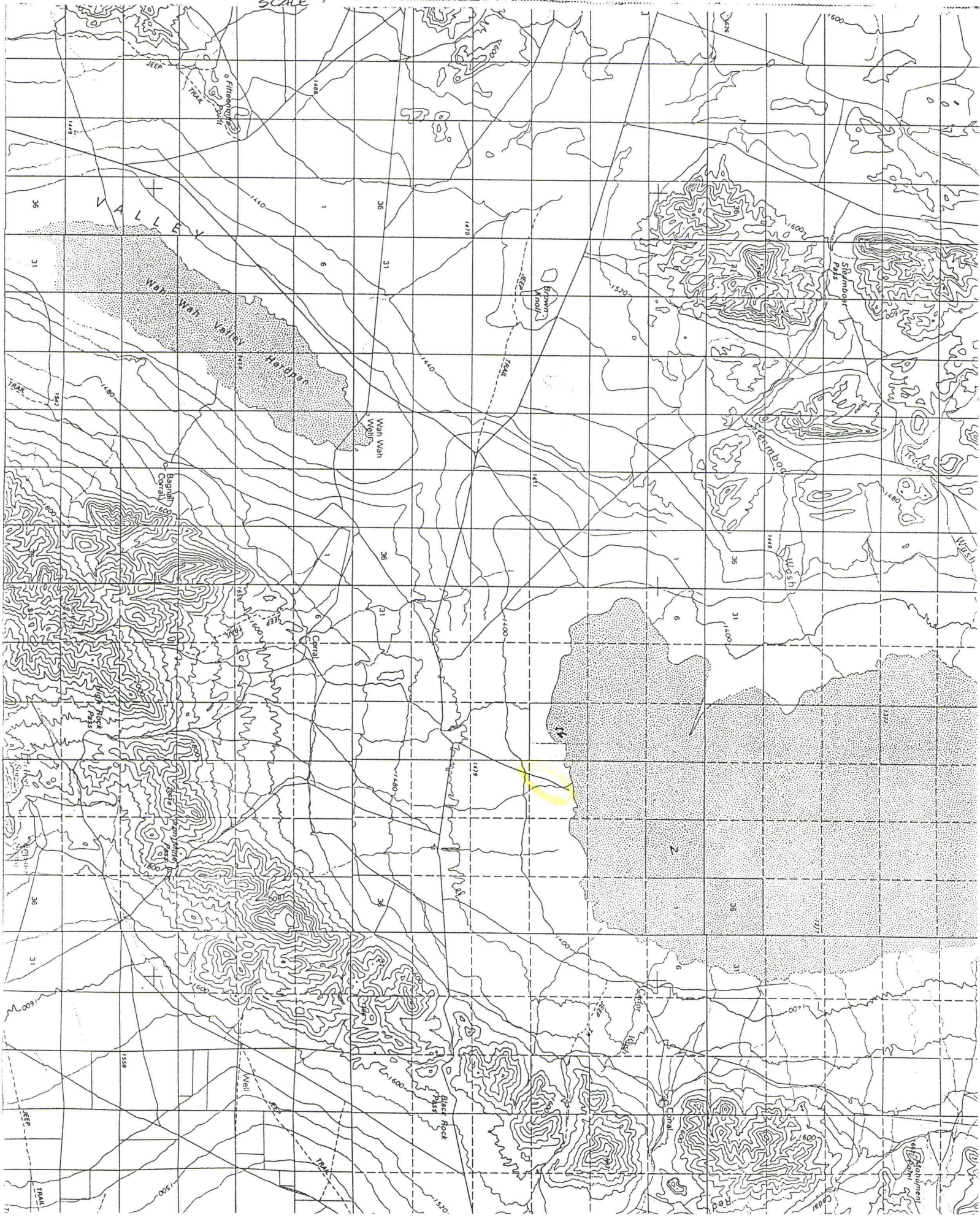




EXHIBIT B-3 - SURETY AGREEMENT  
BOARD CONTRACT

Permit Number M/027/008

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
(801) 538-5340

BOARD CONTRACT  
--oo00oo--

*copy  
original  
released &  
retained 1-31-95  
this was replaced  
by an Investment  
Deposit.*

Crystal Peak Minerals Corporation, a Utah corporation, (Operator), hereby binds itself, its successors and assigns unto the State of Utah, Board of Oil, Gas and Mining (Board), in the penal sum of Fifty-Nine Thousand Dollars (\$59,000.00) (BOND), and agrees to be held and firmly bound thereunder by the following terms and conditions:

1. The Board finds Operator has not been in default of or in non-compliance with Federal and State statutes and regulations pertaining to its operations in the State of Utah; and
2. Operator agrees that it will comply, or continue to comply, with all Federal and State statutes and regulations pertaining to its operations in the State of Utah; and
3. Operator asserts its net worth is not less than five times the amount of the BOND (as shown by the attached financial statement) and it will maintain such ratio throughout the term of the Reclamation Contract to which this Board Contract is attached as Exhibit "B"; and

4. The terms of this Board Contract and the conditions for release or adjustment of this BOND are as written and agreed to by the Division of Oil, Gas and Mining and the Operator in the Reclamation Contract to which this Board Contract is attached as Exhibit "B".

Dated this 1st day of August, 1989.

FOR the State of Utah  
Board of Oil, Gas and Mining:

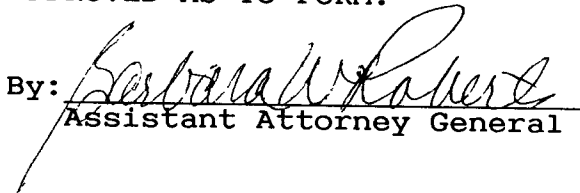
  
Board Chairman

FOR the Operator:

CRYSTAL PEAK MINERALS CORPORATION

By: William V. H. Clarke

APPROVED AS TO FORM:

By:   
Assistant Attorney General

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.

NOTE: Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

**CERTIFICATE OF RESOLUTIONS AND INCUMBENCY**

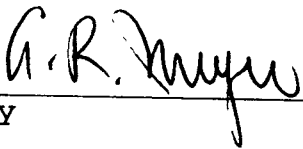
I, the undersigned Secretary of Crystal Peak Minerals Corporation, a Utah corporation (herein called the "Corporation"), do hereby certify that the following persons at all relevant times were and are duly elected to the positions listed next to their respective names, were and are qualified to hold those positions, and were and are fully authorized and empowered to execute the instruments and to act for and bind the Corporation for the purposes stated in the Resolutions, and each of those persons now hold that position:

Mark E. Kuebler  
William V.H. Clarke  
Gerald S. Seay

President  
Senior Executive Vice President  
Vice President

I am authorized to execute and deliver this certificate on behalf of Crystal Peak Minerals Corporation.

EXECUTED this 15<sup>TH</sup> day of AUGUST, 1989

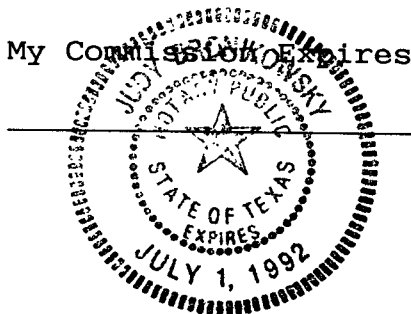
  
\_\_\_\_\_  
Asst. Secretary

STATE OF TEXAS     )  
                              :SS.  
COUNTY OF HARRIS )

BEFORE ME, the undersigned authority, on this day personally appeared A. R. MEYER, Secretary of Crystal Peak Minerals Corporation, a Utah corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of Crystal Peak Minerals Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE ON this the 1st day of August, 1989.

My Commission Expires:



Jud. Bronikowsky  
Notary Public  
Residing at: 2243 Milford  
Houston, Tx. 77098